



Your Representative
Jeff Morris

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2010 Legislative Report

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40th District 2010 LEGISLATIVE REPORT



Dear Neighbors,

With the close of the 2010 legislative session comes the close to a very tumultuous biennium – one of the most challenging in our state’s history. First, I want to leave you with a few facts:

- **For the first time in the history of the state of Washington the budget just adopted has fewer state taxpayer dollars than the previous biannual budget.** The 2009-2011 operating budget first implemented last year spends \$31.3 billion in state funds. That’s \$2 billion less than the 2007-2009 biennium, which was \$33.7 billion.
- **The budget just adopted represents \$4.40 in spending cuts to every \$1.00 in new taxes.** In my view this was a balanced approach. I wanted even more reforms to cut more spending but limited time this session, and opposition from special interest groups, stymied these efforts. **New taxes were aimed at discretionary activity or what people choose to do with disposable income, not what they have or need to survive.**

- **While every major economic publication indicates Washington State leads the pack in economic recovery, it is still a slow recovery.** Because many of our neighbors are relying on unemployment and using assistance programs, we still needed to fill another \$2.7 billion budget gap this year during a short session. We did so by cutting another \$600 million, raising new revenue, and utilizing money we had saved in a rainy day fund.
- **The House of Representatives showed leadership having booked 60% of furlough days and FTE reductions out of the entire state government while being only .005% of State Government.**

We’re not alone in this struggle to cut costs; nearly every other state in the US is facing similar problems - some better, some worse. And we’re all figuring out how to best manage the crisis. Last year, while we were cutting \$4 billion from our state budget to make up the deficit, dozens of states decided to raise taxes.

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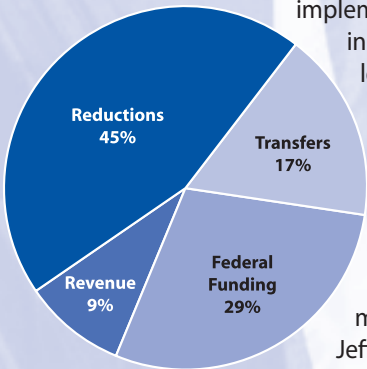
40th District • Your Representative Jeff Morris

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But to prevent any further cuts to services provided to those walking a high wire to economic recovery, legislators decided to raise some new revenue to prevent further taxpayer costs in prisons and health care.

This chart breaks down how we balanced the budget this year, the largest portion coming from cuts to services, followed by one-time federal funding, transfers of revenue from reserve funds and the state capital budget, and lastly new revenue.

Doing our part to help cut costs, the budget for the entire Legislature, along with the budgets for other state agencies, has also been reduced dramatically. The House of Representatives reduced its budget by \$6.5 million (about nine percent) for the two-year fiscal period that ends June 30, 2011. Salary freezes have been implemented for all House employees; there has been a five-percent reduction in permanent staff, and employees are required to take 40 hours of unpaid leave (furloughs) per fiscal year. In terms of specific spending cuts for representatives, for example, the production and printing budgets have been reduced by more than a half million dollars.



That’s why, as you may have noticed, this is my first printed newsletter in a long while. It’s just one small way I’ve decided to curtail spending and save taxpayer dollars, by switching to correspondence delivered by email for most communication. If you’d like to stay in touch with me and receive my regular e-memos, just let me know by emailing me at: Jeff.Morris@leg.wa.gov.

Thank you, Coach Quall

What can I say about my long-time seatmate, mentor, and friend, Rep. Dave Quall? After serving an impressive 18 years, Dave has decided to retire this year. Dave oversaw some of the biggest reforms to our K-12 education system in our state’s history, and did so in a way that made friends and allies across the political spectrum. It was apparent how beloved he is by his colleagues here in the House, and by our neighbors back home, the day we honored him with a resolution on the House Floor. All of us here in the Legislature are going to miss our friend, Coach Quall.





Standing with our Law Enforcement

We here in the 40th District unfortunately know firsthand what the loss of a law enforcement officer killed in the line of duty means to a community. We quickly passed one of the most significant public safety packages in the history of our state in order to protect those that put themselves in harm's way to protect us.

In order to show our gratitude for their sacrifice, I joined several other House Democrats in ride-alongs with our local law enforcement and State Patrol. I personally went out on patrol with an officer from the Skagit County Sherriff Department. Those of us who took part saw the best - and sometimes the worst - of humanity on display. Ride-alongs are one of the best ways to fully grasp what



those officers on the frontline of our safety and security deal with day in and day out, including some of the shortages in manpower and equipment now facing many of our law enforcement agencies, due to shrinking budgets during this recession.

Managing our relationship with Boeing and protecting your tax dollars

I had the privilege of being the lead legislator of our bi-partisan team in 2003 that constructed the bid package with then-Governor Locke to land the manufacturing of the new 787 Dreamliner. When Boeing announced they were opening a second line in South Carolina, it broke the terms of our 2003 agreement. **While many made political hay out of the event, it is my job to manage our relationship with Boeing and to protect your tax dollars.** In 2003 we were told that the contest was a winner-take-all competition. The South Carolina production line for the 787 obviously doesn't represent "winner takes all." Hindsight is 20/20 and we took Boeing at their word. If we knew we would be competing against other states over the life of the plane, we would have put more taxpayer protections into the agreement as we put our best foot forward. South Carolina did the same – they put substantial taxpayer protections in their incentive package. So I proposed that our tax break would be phased out if Boeing moved a majority of its production to South Carolina, doubling down the amount of taxpayer money South Carolina would have to come up with to compete against Washington State.

To sum up, while others look for political opportunity, it is my job to protect your interests and manage our relationship with Boeing. The company has very few people with Northwest ties in its management so loyalty is no longer part of the equation. Since I moved on this, Boeing made a clear statement in the Seattle Times on March 1st that Washington State is where they want to do business. What are your thoughts?

Reforming WSF

Part of the challenge of balancing the state's budget in these tough times has been coming up with new ways to deliver the quality of services Washingtonians expect in a more cost-effective way. We've welcomed that challenge and invited citizens, businesses, and the folks out there doing the work to share their ideas. In the end, we're eliminating redundant programs and departments, and systematically reducing red tape to help private business create jobs.

One area I have personally crusaded for my entire career here is oversight and accountability at Washington State Ferries. My goal each year is to return to Olympia and find new ways to better protect the average fare payer in the Sound. This year was no different: after learning of some production and personnel gaps that are driving up labor costs at WSF, I helped create new cost-cutting measures at



WSF by changing the way labor contracts are negotiated, and require more transparency in reimbursement policies.

Another reform contained in the new policy inserts a "financial

feasibility" clause into future collective bargaining agreements with certain ferry crew. This allows the state to reopen negotiated contracts during especially tough economic times. In addition, contracts will also expand salary considerations to comparable salaries at other state agencies here in Washington, not just other states and provinces with similar ferry systems.

These reform measures will reduce the cost of vessel repairs, require a management review of the ferries division to identify further efficiencies, and help make sure that fare payers are Priority Number One at WSF.

Staying focused on jobs

Throughout this economic downturn, I believe it's important to remain committed to long-term solutions, to ensure our success once the economy recovers. We continued taking steps to improve our business climate, incentivize industries where there is job growth, and make smart investments that will lead to jobs now and down the road.

In fact, the first vote cast by the House of Representatives this session represented our top priority, jobs. House Democrats created the Jobs Act of 2010, a measure designed to create 38,000 construction jobs all over the state while repairing public schools and universities and making them more energy-efficient. As an energy expert by trade, I supported this plan because not only do we create jobs, but we also project savings in energy costs that could reach \$190 million, as well as give the state's children safer, healthier schools.

We're also incentivizing high-tech companies to build the next generation of data centers here in Washington with this tax exemption. These projects will generate around 3,000 jobs and income for areas hit hard by the economic downturn.

In an effort to save our state's aluminum companies right in our own neighborhood, we renewed a tax exemption I originally passed several years ago, which had come up for sunset review to make sure it was still effective. It has been, and helped save one of the last two out of dozens of northwest aluminum plants operating right here in the Northwest part of our State.

These are just a few examples that help explain why so many business experts rank Washington as a great place to do business.

- Forbes magazine ranked Washington as the #2 best state for business (9/23/2009).
- US News & World Report ranked Washington the #1 best place to start a business (1/6/2009).
- The nonpartisan Tax Foundation ranks Washington's state/local tax burden as 35th in the nation. It also ranks our state as #9 in their State Business Tax Climate Index.
- MSNBC predicts Washington will be an "early riser" out of the economic recession.

Water "Well Fare"

I spent some time this session working on a subject new to me; permits for large water wells. Wow, what an eye opener. While your house or mine might use 600-800 gallons per month, these permits are for wells that use over 5000 gallons a day.

Since many of these large wells are exempted from permitting fees, your tax money subsidizes 98% of the costs of processing permit applications and leads to an enormous backlog of permit applications. The eye opener was that the special interest groups seemed more interested in keeping the subsidy in place than doing anything to remove the 5000+ backlogged permits already on the books. With water use this high, most of these unprocessed permits represent jobs that aren't being filled.

While the House voted to move the subsidy back to 50% and created a timeline to remove the backlog and get permits written, the Senate fought to keep the current 98% subsidy in place. I am left shaking my head.



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